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THE Agricultural Situation

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FROZEN FOODS HAVE FAR TO GO

★ ★ ★ Future Bright, Marketing Study Shows

PRODUCERS, processors and handlers of farm products are always on the alert to increase their sales. You want to find new customers, and you want to get present users to increase their purchases.

But first you must have some sort of an estimate of how many families are now buying your product, and how many haven't yet begun to buy.

"Are there enough potential customers," you ask, "to make it worthwhile to put on a selling campaign?"

"Are most of the people already buying my product? How many potential customers are still to be reached?"

"What about the future," you ask—"shall I go on producing on the basis of present sales, or is my product among those likely to have an expanding market?"

To help answer questions like these the *Agricultural Marketing Service*

(formerly *Bureau of Agricultural Economics*) through its Marketing Research Division has been conducting studies dealing with various commodities.

One such study, takes a look at the potential market for frozen and canned food among urban families. Canning and freezing, of course, help to stabilize the market for fruits, vegetables, and other farm products that are likely to flood the market at certain seasons of the year. If all of such products had to be used fresh, some weeks we'd have too much, other weeks too little, and prices so up-and-down no one could depend upon them; when canned or frozen, a portion of the crop can be distributed for use throughout the year and price fluctuations are not so great.

Canning has been used rather extensively for years but frozen foods, of

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course, are relatively new and, so far, have found their way into relatively few homes.

Many Families Yet To Be Reached

The study shows that only a small proportion of the 2,040 urban families covered in the survey are buying specific frozen foods. And this means that a large proportion of those who might buy are yet to be sold, shall we say, on the quality angle, and on the convenience and economy of buying frozen foods.

Results of the sample survey cover purchases made in 1952 and have just been published under the title "Purchases of Frozen and Canned Foods as Related to Home Refrigeration Facilities," by H. W. Bitting, *Agricultural Marketing Service*, U. S. Dept. of Agriculture. The study was authorized by the Agricultural Marketing Act of 1946 (RMA Title II).

The frozen foods studied included peas, lima beans, snap beans, spinach, broccoli, cut corn, strawberries, orange juice concentrates, lemonade, whole chicken, chicken parts, and fish fillets.

Only 3 of the 12 frozen items studied were bought by more than 50 percent of the families in the panel: 68 percent of the families bought frozen orange juice concentrate; 52 percent bought frozen peas; and 50 percent, frozen strawberries.

There were less than 40 percent of the families who bought any of the following items: frozen broccoli, lima beans, spinach, snap beans, cut corn, lemonade, whole chicken, or chicken parts. Sales of any of these items could be more than doubled if as many as 75 percent of the potential consumers could be induced to buy them, assuming the new buyers would buy about as much on the average as consumers are now buying.

This would not mean a very high rate of consumption, it is pointed out, because those who are now buying do not buy many packages on the average during the year.

Purchases *per family* for the 12 items studied ranged from a low of 3.5 packages of frozen whole chicken to a high of 44 six-ounce cans of frozen orange juice concentrate (see table, next page).

Since there were about 3.4 persons in the average family, the average *per capita* purchases, for those families buying, ranged from 1 package of whole chicken to 13 of the 6-ounce cans of frozen concentrated orange juice. For buying families, per capita purchases of green peas were only 4.2 packages, roughly 14 packages per family. Aside from frozen peas and frozen concentrated orange juice, all yearly purchases of each of the remaining 10 items studied amounted to less than 3 packages per individual.

Since these figures are based upon families that actually bought the particular frozen items, the yearly purchases *per capita* would have been much lower had all families been included.

Sales of 11 of the 12 frozen foods studied could be more than tripled if each of the current users could be induced to buy only 1 package a month.

Frozen orange juice concentrate is the exception—annual per capita purchases averaged 13 six-ounce cans per individual consumer. However, if families now buying could be induced to buy only 1 six-ounce can of orange juice concentrate per person per week, sales of this item could be quadrupled.

The study also indicates that sales of packaged frozen foods can be greatly increased even with the home refrigeration facilities that families now have.

About 89 percent of all urban families now have refrigerators, but only a small proportion of these families are buying frozen foods. It would therefore appear that there is considerable opportunity to expand the sales of frozen foods among these families. It was further found that the families who have refrigerators were buying just as much of the frozen foods studied as did those who owned the much roomier home freezer boxes.

A full report of the study will show the relationship between purchases of frozen and canned items among the families studied. Higher income families generally bought more of the frozen items than did the families with low incomes. Other findings in the full report relate to differences in purchases of frozen and canned items by geographical regions.

Average Purchases of Packaged Frozen Foods During 1952, for Families Buying

| COMMODITY | PACKAGES PER CAPITA | PACKAGES PER FAMILY ¹ |
|--------------------------------|---------------------------|--|
| | Number | Number |
| Peas | 4.2 | 14.3 |
| Lima beans | 2.6 | 8.8 |
| Snap beans | 2.6 | 8.8 |
| Spinach | 2.4 | 8.2 |
| Broccoli | 2.0 | 6.8 |
| Cut corn | 1.7 | 5.8 |
| Strawberries | 2.5 | 8.5 |
| Orange juice concentrate | 12.9 | 43.8 |
| Lemonade | 2.4 | 8.2 |
| Whole chicken | 1.0 | 3.5 |
| Chicken parts | 1.4 | 4.8 |
| Fish filets | 1.6 | 5.4 |

¹ There were 2,040 families with 6,933 family members. This gave an average of 3.4 members per family. Weights of most packages were 10 ounces. Exceptions were spinach, 14 ounces; whole chicken, 32 ounces; chicken parts and fish filets, 16 ounces. Orange juice concentrate and lemonade were only 6 ounces.

Livestock Inventory Different This Year

Small Further Cattle Buildup, Most of the Increase in Cows . . . 11 Percent Fewer Steers . . . New Count Indicates Continued Large Cattle Marketings and Slaughter

LIVESTOCK NUMBERS in the United States declined 1 percent during 1953, the Crop Reporting Board's annual inventory shows. The drop was chiefly accounted for by a sharp decrease in the number of hogs, although declines were also registered for sheep and workstock. Cattle numbers increased slightly to a new high, with milk stock increasing 2 percent.

Previously, the total livestock inventory had risen for 4 consecutive years. The big factor in that expansion was the marked upswing in cattle numbers that began in 1949. In 1950, about 4 million cattle and calves were added to the Nation's herd, followed by nearly 6 million added in 1951, and the same number again in 1952. This increase was nearly brought to a halt in 1953 as cattle numbers went up only a million more. The all-time high of 94.7 million head of cattle on farms January 1, 1954, though only a slight rise from a year earlier, was 18 million head above the recent low point of 1949, when the upswing began.

All classes of cattle and calves showed gains during the year except beef heifers, steers and bulls. Milk cows were up 3 percent, with only Kansas, Texas and New Mexico showing decreases. Several leading dairy States recorded 3 and 4 percent increases. Beef cows rose 6 percent. Here also increases were fairly general with only California, Arizona and Texas lower than a year earlier. Marked increases in beef cows took place in the Southeastern States and in the eastern Corn Belt.

Continued interest in expanding milk cow numbers in the immediate future is reflected in the 1 percent increase in the number of heifers one year old and under 2 years being kept for milk cow replacements on farms. Some of the leading dairy States showed increases of 2 to 4 percent, but in the central and western Corn Belt numbers decreased

moderately, and in the Southwest they were reduced as much as 15 percent.

Further increases in beef production in the Southeast are indicated by the increased number of beef heifers on farms there. Most States west of the Mississippi had fewer beef heifers than a year earlier. In part this reflected the drop in the number of heifers on feed for market. However, it is noteworthy that most beef producing States in the Plains and inter-mountain sections are holding fewer beef heifers for stocking and replacement purposes.

The biggest decrease for any of the cattle classes occurred in the number of steers 1 year old and older. Steers were down 11 percent from the relatively high number a year earlier. The drop in steers paralleled the decline in the number of cattle and calves on feed for market. In addition it pointed up the further liquidation of stock cattle inventories in the western producing sections and in central and eastern areas where short pastures, feed and hay supplies resulting from the late summer drought required some reduction of inventories. Cattle producers facing adjustments to shorter feed supplies held breeding cows and calves and sold steers and beef heifers.

The number of bulls on January 1, 1954 was about the same as a year earlier. By States, the picture is different. Decreases are recorded in the important milk producing States where more widespread use is made of artificial insemination. The southeastern States increased bull numbers, further emphasizing the uptrend in beef production in this section of the country.

Cattle Slaughter To Stay Large

The substantial rise in cattle numbers means that the annual rate of cattle marketings and slaughter also has been built up to high levels. Slaughter was small when herd expansion began. In 1951 only 26 million cattle and calves were slaughtered. In 1953 slaughter jumped to 36½ million. This was sufficient to provide more beef per person than in any other year of record—76 pounds.

The present herd could provide even more animals, for slaughter this year, perhaps 37 to 39 million, without dipping into inventories. Average weights at slaughter will be lighter, but beef

output will still be sufficient to hold beef consumption at almost last year's 76-pound mark. How to market this many cattle and this much beef and realize adequate returns is a problem that will confront cattlemen in the next year or two or longer. Clearly, the best possible marketing job is called for.

If consumer demand does not weaken greatly and if slaughter is around 37 to 39 million, prices for cattle will probably average about the same as in 1953. They might even show some modest improvement over last year's most depressed prices. But with so many cattle being marketed, no substantial improvement is likely. The most hopeful feature is that the adjustment to lower prices has now been made and no sharp further declines are in view. Also, cattle feeders have made profits so far this winter. If they continue to realize good profits the demand for feeder cattle next fall will be bolstered a bit.

Prices of cows and of stocker and feeder cattle have increased considerably since last fall. They probably will retain their increase until early spring, then will decline seasonally. Fed cattle are being marketed out of feedlots as soon as they reach the bottom of the next higher grade. A big seasonal bulge in their marketings may therefore be avoided. Prices of fed cattle could prove fairly stable this spring and summer in contrast with last year's extreme movements.

There is one proviso in these appraisals of the outlook: that no general drought intervenes. If a severe drought should occur, cattle slaughter would be increased further. That this is not beyond possibility is seen from weather reports revealing an unusually dry winter throughout the central and western regions of the country. However, if spring rains are received soil moisture will be replenished.

Hog Numbers Lower

The number of hogs on farms January 1, 1954 was estimated at 48.2 million head, the smallest number since 1938. The inventory this year was down 11 percent, or 6 million head, from a year ago. Hog numbers have moved downward since January 1, 1952, following the successive decreases in the 1952 and 1953 pig crops.

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School Lunch Program

Plays Dual Role

WE'VE COME A LONG WAY from the row of lunch pails, boxes, or baskets that used to be a common sight in the one-room schoolhouses that dotted the country. Today, in many schools, one room, community, or city, the children have their noon meal, attractively served and hot, in the school building. The meat, vegetables, milk and other foods served give them approximately a third of the day's supply of nutrients.

The school lunch program grew out of the increased emphasis on better diets and the need to dispose of surplus food. The program was enlarged when the Secretary of Agriculture was authorized to encourage domestic consumption of products that were in too plentiful supply by buying and distributing them to schools and other institutions, thus diverting them from the normal channels of trade. This was what is commonly known as section 32.

The purpose of the school lunch program is twofold. In the 1930's, the need for a better diet for many children was realized. School lunches offered a way to see that they had at least one nourishing meal each day. And in that decade of low wages and low returns—from any kind of business—production of farm products had outrun demand. Farm prices were extremely low. By taking off the market *even small percentages* of certain crops, livestock products, and poultry products, prices of these products could be at least partly stabilized. Both farmers and the general economy as well as the children would benefit.

Permanent Program Since '46

In 1944, for the first time, the Federal Government made cash funds available to the program. The foods bought and distributed under section 32, previously mentioned, supplemented those bought with the cash assistance given schools participating in the program.

The program worked so well that in

Diversion—Not Waste

MORE THAN ONE pot has been kept from boiling over by dipping out a mere cupful of the liquid just at the critical moment. So it is with crops for market and the salutary effect of the school lunch program. Most of us know from experience that we do not have to find a new market for the whole crop—or even a very big part of it—to keep the price from going “haywire.” A relatively small quantity of any crop diverted from the usual channels of trade, at just the right time, can have a steady influence on the price the farmer gets for his crop; and it may, in fact, head off a *disastrous* price drop . . . something that is of interest not only to the farmer but to tradesmen and others who sell goods and services to the farmer.

This is *one* lesson we've learned in better distribution of farm products. The selective and timely purchase of foods for the school lunch program, though small compared with the total volume, is something just about as important to the farmer as the Federal Reserve Bank to the small town banker. Both are stabilizing, steadying forces in the Nation's economy.

The “boiling pot” analogy, of course, goes a little further: If you have soup in the pot and it boils over, there is waste. Dip a little out, before it boils over, and what you save is food for a hungry boy or girl.

Fortunately, the farmer's *production* pots usually do not boil over at the same time. Turkeys at one time, beef at another; or oranges, or apples, or what have you? Fortunately, also, hungry boys and girls like different kinds of food; suits them to have turkey when turkey is plentiful, beef when beef is plentiful. This makes them a sort of “clearing house” for those extra morsels that the law says the Secretary of Agriculture may “dip out” when he sees a pot about to boil over.

1946 the National School Lunch Act was passed. This act, which established the program on a permanent basis, became effective on June 4 of that year.

Currently, nearly 10,000,000 children are getting their lunches under the program, in more than 57,000 schools. Funds appropriated for the current year amounted to \$83.4 million, more

than \$67 million of which has been apportioned to the States in cash, according to the number of children of school age in the State and the State per capita income. The remaining \$16 million has been used by the Department to make quantity purchases of foods that will help the school serve nutritionally adequate lunches.

In the school year 1952-53, foods bought under surplus-removal programs, as authorized by section 32, supplemented foods bought locally for the program. Schools received 39 million pounds of turkey, 21 million pounds of smoked pork, over 5 million dozen eggs, almost 14 million pounds of butter, and 11 million pounds of dried skim milk. They also received canned cherries, and fresh apples and pears, and concentrated orange juice.

During the current year, schools will receive substantial quantities of beef (canned beef and gravy and frozen hamburger), butter, dried skim milk, and cheese, in addition to smaller quantities of honey, shortening, cottonseed oil, olive oil, and pecans.

The Federal Government doesn't do it all. During the 1952-53 school year, Federal cash assistance averaged only about 5.0 cents per type A (*complete*) lunch served. States, local organizations, and parents all share in the cost. In 1953, State and local governments and local organizations made available \$103 million to help cover the cost of the program. And parents' payments for their children's lunches amounted to about \$276 million. Together, these State and local sources paid for about three-fourths of the cost of the program.

An Interagency Committee on School Lunches, made up of representatives of the Federal Security Agency, (now Health, Education and Welfare) the American National Red Cross, and the United States Department of Agriculture, acts in an advisory capacity to the program. State educational agencies do the actual administering of the program. USDA area home economists inspect lunchroom facilities and work with the schools and the State agencies in improving diets and facilities. In the Department of Agriculture, the School Lunch Branch, Food Distribution Division, *Agricultural Marketing*

Outlook Highlights

. . . MARCH 1954

PRICES TO FARMERS rose about 4 percent from November to mid-January as marketings declined seasonally and large quantities of products moved under the support program. As of mid January, they were only about 3 percent below a year earlier. Farmers' cash receipts in January were down only slightly from January a year ago.

Industrial production has continued to ease off a little, mostly because of efforts to reduce inventories. Retail sales held up well last fall but fell 3 percent from November to January.

Construction activity continued to hold up well during the fall and winter months and has been a bright spot in the nation's economy.

Unemployment, though not high compared with the average in peacetime years, is now at the highest level in more than 2 years. Total wages and salaries in private industries declined about 2 billion dollars, annual rate, from November to December. This decline, however, was partly offset by an increase in proprietors' income and in unemployment insurance benefits . . . so that total personal incomes declined only about 1 billion dollars to an annual rate of 285 billion in December.

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Service, conducts the Federal part of the program. It offers, in addition to food and funds, technical assistance in planning lunchrooms and in solving other problems that arise.

A good feature of the program is that no child is humiliated by not being able to pay for his lunch. Ordinarily, a system of tickets is used although this varies in the different schools.

It is generally recognized that the school lunch program can both improve the nation's health and increase consumption of the products of our farms.

Esther M. Colvin
Agricultural Research Service
(formerly with Bureau of
Agricultural Economics)

Grow Better Roughage

For Lower Dairy Costs

IN MICHIGAN, the cost of the feed used to produce 100 pounds of milk can be reduced by as much as 20 to 25 percent by improving the quality of the roughage fed, and by feeding more roughage and less protein and grain.

A study of roughage production and feeding practices in effect on 34 southern Michigan farms, made by C. R. Hoglund, is soon to be issued by the Michigan Agricultural Experiment Station, with the former Bureau of Agricultural Economics cooperating, under the title: "Quality Roughage Reduces Dairy Costs."

Saving, \$64 Per Cow

It cost farmers who produced excellent roughage 46 cents less to produce 100 pounds of milk than it did those whose roughage was of poor quality, the study showed. Returns above feed costs were \$64 per cow in favor of those fed excellent roughage. The study began with the barn-feeding period in the fall of 1949 and extended over 2 years.

Let's take two of the farms studied, one producing excellent roughage, the other, roughage of poor quality. How do they differ as to costs of feed, type of roughage produced, methods of harvesting, and other practices?

A Farm With Low Feed Costs

Farm A, one of the 8 farms on which excellent roughage was produced had one of the lowest annual costs of feed—\$1.30 per 100 pounds of milk produced. The herd was made up of 22 Holstein cows and averaged 10,700 pounds of milk per cow during the period of the study. The pasture, hay, and corn silage produced and fed were all excellent. A ton of grass silage (first-crop alfalfa-brome) was provided each cow for summer feed.

A 6-year rotation was followed—corn, oats, hay, pasture, and wheat. Fertilizer was applied at a rate of 300 pounds of 0-20-20 per acre when the land was seeded. In the second year

of hay, the land was manured at a rate of 8 to 10 tons an acre. About 200 pounds of 0-20-20 per acre were applied the year the meadows were pastured. On this farm a baler is used to harvest hay, although ordinarily it would not be considered the best type of equipment for harvesting high-quality roughage. But the haying operations are well timed and the job is speeded up when weather permits. The farmer custom hires his grass and corn silage field chopped.

What about this dairyman's practices? During the barn-feeding period a daily average of 23 pounds of alfalfa-brome hay, 25 pounds of corn silage, and 1 pound of farm grain to each 4 pounds of milk produced brought good results. For this period, his costs of feed per 100 pounds of milk produced were \$1.72. This compares with an average of \$1.86 for all farms in the study. Some long dry periods for a few cows meant a lag in milk production in the first half of the barn-feeding period. On the average the cows freshened every 12.7 months—a better than average interval.

This farmer provided his cows with excellent, well-fertilized alfalfa-brome-ladino pastures. A field of second-crop alfalfa-brome was pastured in August. The cows were fed about 35 pounds of grass silage daily in August and September, along with the daily ration of grain. During the pasture period, feed costs averaged only 89 cents for 100 pounds of milk produced. But even with this well-managed pasture program, unfavorable weather, flies, and other conditions made it impossible to keep milk production up to the expected level during the last part of the pasture season.

A Farm With High Feed Costs

Now turn to farmer B who had very high feed costs for a herd of Holsteins that averaged 10,600 pounds of milk per cow. Even though he was aware of improved production and feeding

practices his failure lay in producing and harvesting poor roughages.

His meadows consisted of poor stands of alfalfa-brome, quack grass, and red clover. His timing in harvesting was poor. Forage was harvested mainly in the late-bloom to past-bloom stage for both grass silage and hay. The corn grown was tall and had a large stalk. The cows did not relish the silage made from it and refused about 20 percent of the material.

He field-baled his hay and field-chopped his grass and corn silages. Here is an example of a farmer who used modern harvesting equipment for hay and silage but whose feeding program was not efficient.

During his barn-feeding period, milk production was not as high as expected from the freshening pattern of the cows. During the first half of the period he fed 1 pound of grain to 3 pounds of milk produced. About the middle of February his hay was gone and he had to buy some mature brome hay. Production of milk lagged still and he stepped up his grain feeding rate to 1.2. But even so, the cows produced little more milk and at the end of the period, they were very thin. For this period, his costs of feed per 100 pounds of milk produced were \$2.41.

This farmer started the pasture season with a fairly good alfalfa-brome-quack meadow, and production of milk increased tremendously for a short time. But he had provided less than a half acre per cow and by late June, his pastures were no longer adequate. In July and August he had 20 acres of oats and sudan grass mixed, a fair pasture. In August milk production dropped off sharply. Late in August he started feeding 30 pounds of grass silage daily per cow, stepping it up to 50 pounds in September and October. In September he pastured 15 acres of second-cutting alfalfa-brome. Throughout the pasture period, he fed 1 pound of grain to 3 pounds of milk produced. At the end of the pasture period, his cows had regained some of the weight lost during the barn-feeding period, but they were still thin.

Although these examples are for Michigan, it is possible that dairymen in other parts of the country would profit from growing better roughage and adjusting their feeding practices for higher production.

End

Outlook Highlights

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Livestock and Meat

Meat animal prices have risen seasonally since last fall. Price gains are most notable for stocker and feeder cattle, veal calves and hogs. A somewhat smaller supply of livestock for slaughter is indicated for the first half of this year.

The Crop Reporting Board's annual inventory shows that farmers added only about a million head of cattle and calves to their herds in 1953. This 1 percent gain is a much smaller increase than in the three preceding years. Biggest increase was in cows. Steer numbers were down 11 percent. Beef heifers and bulls also declined. Hog numbers are down 11 percent, sheep 3 percent and chickens 2 percent from a year ago.

Dairy Products

The lowering of price supports on milk and butter fat to 75 percent of parity, for the year starting April 1, will result in lower prices for manufactured dairy products at all levels, including retail. Some decline also is likely for fluid milk prices in many city markets. With continued high consumer incomes, consumption of dairy products probably will increase.

Farmers increased their dairy herds 3 percent during 1953. More milk cows and the large supplies of feed concentrates indicates milk production in 1954 will top the 1953 record, if widespread drought does not occur. Last year, civilians consumed 108 billion pounds of milk and 6.9 billion went into other uses. The remaining 5.6 billion pounds was made into manufactured dairy products and sold to the CCC under the price support program.

Poultry and Eggs

Strong demand for both fresh and frozen eggs is holding prices received by farmers slightly above a year earlier. Egg production in January continued at a record breaking pace. Broiler chick placement has continued at high levels despite the slump in broiler prices. Slaughter supplies of broilers

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Cardiac Farmers to Get Attention

Study Will Seek Ways To Ease Work of
Farmers Suffering With Heart Disease

THE FIRST research project in the United States to determine methods for easing the workload of farmers with heart disease is getting underway in Indiana. The American Heart Association has announced that one of its affiliates, the Indiana Heart

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are expected to continue large during the next few weeks.

Fats and Oils

Soybean prices reached a high for the season in February. Exports so far in the 1953-54 marketing season have been a record but appear to be tapering off. United States disappearance of edible fats and oils and butter in October-December was running above a year earlier, but lard was down somewhat. Total disappearance increased 8 percent.

Feed Grains

Despite seasonal gains, feed grain prices remain below a year earlier and generally below national average support prices. Quantity placed under government loan so far this season is largest since 1949-50. Prices of soybean meal and animal protein feeds in early February were higher than a year earlier but most other by-product feeds were lower. Acreage allotments for corn (in the commercial area) announced by the Secretary of Agriculture call for 9.8 million fewer acres. This is a 17 percent reduction from the acreage planted last year.

Wheat

Wheat prices in recent weeks have continued the advance that began in October. Large quantities of wheat held by CCC under price support program have reduced supplies available for commercial market. Exports the

Foundation, is joining with Purdue University and the Indiana State Board of Health in financing a 5-year study to provide information on time and energy-saving shortcuts for the cardiac farmer.

Dr. Lowell S. Hardin, *Purdue University Professor of Agricultural Economics*, and Dr. M. X. Zarrow, *Professor of Physiology*, are directing the project. The study will be made at Purdue University laboratories and at selected Indiana farms.

The decision to undertake the project followed more than a year of preliminary study. It is anticipated that such studies eventually will lead to programs for the farmer similar to those used throughout the country for industrial workers.

In commenting on the project, Dr. Hardin pointed out that much remains to be learned about heart disease in relation to the cardiac farmer's ability to continue in his occupation. Noting that agricultural work is highly varied in its physical and mental requirements, Dr. Hardin said, "Farm work simplification studies at Purdue and other institutions have shown a wide range in work methods, time requirements and labor costs among farmers accomplishing similar output. Many farm people appear to be more concerned with the welfare of their plants and animals than with their own physical well being. Thus, concern for income-producing enterprises frequently exceeds concern for self."

Farmers Work on Past 65

Dr. Hardin also pointed out that non-agricultural workers tend to withdraw from the labor market at a younger age than agricultural workers. It was estimated as of March 1952, that 38.6 percent of the agricultural labor force in the Nation was 65 years of age or over. In the nonagricultural labor force, only 17 percent fell in this age bracket.

A mobile laboratory will house equipment necessary to make the various field tests required in the study. The unit will be transported from farm to farm as the tests are completed. The State Board of Health is assisting the study by financing equipment in the mobile Heart Laboratory, and the Farm Bureau is encouraging farmers to participate.

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"Bert" Newell's Letter to Crop and Livestock Reporters

I TOOK A WHOLE WEEK off the last part of February to go with Mrs. Newell to her home up in the Chenango Valley in New York State. Now it may seem strange to a lot of you to be taking a vacation in the middle of the winter and going off into that northern country where the temperature is sub-zero most of the time, but this was an unusual occasion. Mother and Father have been married 60 years and all the family came home to celebrate the occasion. It was sure enough a grand party.

It's a funny thing though that none of us ever think of mother and father as the "old folks," as most anyone might be expected to do. The fact is, they just don't seem like old folks even though father is well past 80, and mother is just about there.

Just to show you what I mean, about 3 years ago father had to go to the hospital for a little repair work. The next summer my wife and I were up there and father got to telling us about a cantankerous old fellow in the hospital who seemed to be continually in "dutch" with the doctors, the nurses, and the whole staff. Father said he felt awfully sorry for that poor old guy because he wasn't so sick but had just "sort of lost interest."

After father went back out to finish cutting some hay, mother told us that the "poor old guy" father was talking about wasn't nearly as old as he was.

Now I don't know what you folks think about it, but it seems to me that it's a wonderful thing that a couple can work together there on the farm for all those years and still be going as strong as they are. Of course, they aren't farming it as strenuously as they did some years ago, but there is still activity with crops and some livestock of a magnitude that I know would floor quite a few people who are much younger than they are. I don't know what the specialists who are supposed to know about such things would say about it, but I think one of the big rea-

sons they have made such a go of it is because of their outlook, and because of their continued interest in so many things.

Of course, you know it hasn't all been easy. I remember not too many years ago when father lost several of his best cows all in one season. Then there was the year when disease hit his poultry and came pretty near wiping out a flock of 3,000 layers. I was up there 3 years ago when hail had just cleaned out a field of sweet corn that was within a week of being ready to market. That's pretty tough going for anybody. Of course, there were the good times too, when the yields were good, and prices showed a nice profit. But through good and bad these folks seemed to me to always have their eye on something beyond the immediate situation. Why, just visiting with them there the other day, they both talked more like a couple in their fifties rather than in their eighties.

Well, maybe you are not interested in all this about my family experiences, but I got started on it because of some letters from crop reporters and a few visits I have had with some in the past year. It seems to me that all of them have something in common with my home folks—an interest in agriculture beyond the limits of their own farms and a tendency to keep looking ahead. I wonder if this business of being a reporter doesn't have a lot to do with that attitude. A farmer in Virginia, who had been reporting for 53 years, told me that reporting on crops and livestock was the thing that really kept him abreast of what was going on. Now I am not going to imply that if you are a cooperative reporter you'll live a long time, but I honestly think that broad interests help to keep a fellow young.

When you stop to think that those little schedules, or questionnaires, that you fill out once a month, or once or twice a year provide the basic information that is so necessary in marketing and distribution and agricultural policy decisions, it is just bound to make a person feel they are doing something worthwhile. Everybody that is anybody gets satisfaction out of the feeling they are doing something important.

Sterling R. Newell, *Chairman*
Crop Reporting Board
Agricultural Marketing Service

Plan Now For Grain Storage Needs

OUR STORAGE FACILITIES for grains had to be stretched to the limit, and supplemented in many cases, in order to handle our 1953 crops.

The size of this year's crops will of course be a determining factor; but, when we take into consideration the large carryover from last year it is obvious that the storage situation can be very serious—especially in areas of heavy production.

As many of you know, the effectiveness of price support programs for storable commodities depends very directly on the availability of adequate storage. *The regular price support loans cannot be extended to farmers unless their commodities are housed in satisfactory storage—either on the farm or in commercial facilities.*

The Department of Agriculture did everything possible to assist the expansion of both farm and commercial storage facilities in 1953. And the Secretary of Agriculture has stated that the Department will continue this vigorous help this year. *A responsibility, however, rests with farmers themselves. They should anticipate their requirements and make plans immediately to see that adequate storage space is available when they need it.* The Department of Agriculture will help in every practicable way.

How "Uncle Sam" Will Help

Following are the specific types of assistance which the Federal Government is making available to farmers to help them expand storage facilities on their own farms, in addition to special steps to increase commercial space:

Farm-Storage Facility Loans. Commodity Credit Corporation loans for financing new storage construction are available to farmers through local banks or direct from the local county Agricultural Stabilization and Conservation Com-

mittee. These loans, which can run up to 80 percent of the cost of the new storage facilities in most States, can be paid off over a 4-year period. The loans, at 4 percent interest, are intended to supplement local credit services when for any reason normal lending agency credit is not available. Last year around 30 million bushels of farm storage capacity was added under this program.

Storage Equipment Loans. Commodity Credit Corporation loans are also available to farmers for financing the purchase of drying equipment for the conditioning of storable crops. The drying equipment includes mobile mechanical dryers, air circulators, ventilators, tunnels, and fans. The loans, which are available through the same local sources as the storage loans, can be used to meet up to 75 percent of the delivered and assembled cost of the equipment. They are payable in three annual installments, or earlier at the option of the borrower. The interest rate is 4 percent a year. The loans are intended to assist farmers who need this additional financial help in getting and maintaining their crops in the proper storage conditions required for CCC commodity loans.

Income Tax Amortization Deductions. Public Law 287, 83d Congress, Section 206, signed by the President August 15, 1953, provides an amortization deduction for grain storage facilities. Under this provision the Federal income taxpayer may elect to amortize over a period of 60 months the depreciable cost of grain storage facilities constructed after December 31, 1952.

The amortization provision also applies to *alteration or remodeling* of a grain storage structure that increases the capacity of the structure for grain storage. Eligible storage facilities include any corn crib, grain bin, or grain elevator, or any similar structure suitable primarily for the storage of grain, or any public grain warehouse permanently equipped for receiving, elevating, conditioning, and loading out grain. No application for the deduction is required: The decision by the taxpayer to take the deduction can be announced *simply by a statement to that effect in his Federal income tax return* for the taxable year in which the storage structure is completed.

In addition, the following programs and special aids are available to encourage increases in elevator and warehouse space for use by farmers and others as needed:

Guaranteed Occupancy of New Storage. Under this program, the CCC contracts to make payments to warehousemen in the event that occupancy of approved new storage construction falls below specified levels over a period of 5 or 6 years, depending on the plan the warehouseman elects.

The guaranteed-occupancy program is designed to encourage new construction by responsible commercial firms in areas where additional storage facilities are needed. As of February 12, 1954, applications totaling more than 293 million bushels of new storage capacity had been tentatively approved by the Department. Cancellations and withdrawals by applicants of previously accepted applications totaled approximately 85 million bushels, leaving a net total of acceptances of more than 208 million bushels. The new construction will be principally available for farmers' use, with CCC stocks to be used largely as needed to maintain the guaranteed levels of occupancy.

Income Tax Amortization Deductions. The Federal income tax deduction for amortization over a period of 60 months of the depreciable cost of new grain storage facilities applies to commercial and cooperative storage elevators and warehouses as well as to farm storage structures.

Expanded CCC Bin Sites. During the past year the CCC has awarded contracts for the purchase of 16,520 grain storage structures—with a total capacity of approximately 96,211,600 bushels—for erection at CCC bin-sites in Illinois, Iowa, Kansas, Michigan, Minnesota, Nebraska, South Dakota, and Wisconsin. This brings CCC bin-site storage capacity, which is used when adequate commercial storage is not available, to a total of approximately 640 million bushels.

By storing a large part of its own holdings of corn at these Corn Belt bin-sites, CCC removes this quantity of grain from competition for available farm and commercial storage in these areas.

Emergency Ship Storage. During the past year the CCC made arrangements with the U. S. Maritime Administration for the emergency storage of grain in 125 ships of the Maritime Administration's Reserve Fleet. These ships—75 at Jones Point, New York, and 50 on the James River, Virginia—have provided storage for approximately 28 million bushels of wheat.

Preparations have recently been completed for the use of an additional 180 ships this year, consisting of 130 ships in the Pacific Northwest and 50 additional ships on the James River. These additions will provide CCC with new emergency ship storage for approximately 40 million bushels of grain, thus opening up an equal quantity of commercial storage for use by farmers and other commercial users.

A. F. Troyer
Commodity Stabilization Service

Good Insecticide Against Bollworm and Boll Weevil

ONE of the newer organic insecticides, endrin, has been found to be the best insecticide thus far tested against the combination of the bollworm and the boll weevil, two of cotton's most destructive insects. Entomologists of the U. S. Department of Agriculture find that endrin also gives control of several other cotton pests, but not of the pink bollworm or of spider mites. Endrin has a longer-lasting residual action than toxaphene, the only other insecticide recommended for control of both the boll weevil and bollworm.

Endrin is poison to man and beast, as well as insects; and users are cautioned to follow *exactly* the recommendations of the manufacturers which are printed on the label of containers.

Endrin has been tested by USDA's Agricultural Research Service entomologists under the widely divergent cotton-growing conditions found at locations such as Florence, S. C.; Brownsville and Waco, Texas; Tallulah, La.; and San Fernando, Tamaulipas, Mexico. At Florence, endrin-treated plots yielded gains in seed cotton of up to 746 pounds an acre.

Livestock Inventory Different This Year

(Continued from page 4)

Hogs under 6 months old were down 8 percent from last January, reflecting the 9 percent smaller pig crop in the fall of 1953. Sows and gilts kept for breeding were 6 percent above January 1, 1953, matching intentions of farmers for a 6 percent increase in 1954 spring farrowings.

Inventories of hogs were down this January in all States. Numbers in the Corn Belt held up better than in other sections of the country. They were down 9 percent. Outside the Corn Belt decreases ranged up to 30 percent in Oklahoma and 33 percent in Arkansas.

In line with the smaller inventory of slaughter hogs, hog marketings this year are running substantially below last year. The lower level will continue until late summer or early fall, when marketings from the spring pig crop will begin. For the year as a whole, hog slaughter will be the smallest since 1948 and pork consumption, forecast at 58 pounds, will be the smallest since 1938.

Prices of hogs, which in February almost equaled their previous record for the month (*set in 1947*), will continue relatively high until late summer. They will probably decline as much or more than usual this fall but will still be above average.

Though an increase in pork production is beginning this spring, a sharp reduction in prices for hogs is not likely until 1955. How much prices decline then will depend on how far and how fast the new increase in production proceeds, which cannot yet be foreseen.

Sheep Numbers Also Down

Sheep numbers declined in 1953 for the second successive year. Inventories of all sheep and lambs on January 1 numbered 30.9 million head, down from 31.9 million a year before. The number of stock sheep declined 3 percent to 26.9 million head. Sheep and lambs on feed for market were 4 percent below a year earlier.

Trends in stock sheep numbers in

1953 were mixed, with most of the important sheep producing States in the Corn Belt and the West showing decreases. Interest in stock sheep was evident in a number of Southern States which showed higher numbers this year.

Texas stock sheep inventories were reduced 5 percent during 1953, marking the third successive decrease in Texas sheep numbers. In 3 consecutive years of serious drought, Texas inventories have dropped 23 percent.

In 13 Western sheep States stock sheep numbers declined 4 percent during 1953. Only Arizona and South Dakota showed increases in the West. The native sheep States showed a slight decline, with the important States of Ohio, Missouri, Iowa and Minnesota all registering decreases. But in the South Atlantic and some east South Central States increased grazing resources appear to be stimulating production of sheep, though the numbers involved are still small.

The number of ewes 1 year old and older declined following the sharp reduction in the number of ewe lambs held for replacements a year earlier. Ewe lamb replacements again made a sharp decrease, being down 10 percent from January 1, 1953.

The 1953 lamb crop was larger than the 1952 crop but a large part was slaughtered during the year and smaller numbers remained as stock sheep or on feed for market. More than the usual proportion of the early and late lamb crops was in slaughter flesh when marketed. Moreover, there was less interest this past fall in retaining lambs for breeding or in putting lambs on feed.

Sheep Production Likely to Stay Low

The 30.9 million sheep on farms is only 1.1 million above the low mark in 1950. It is a small number in comparison with population, as may be seen from only a 4-pound average consumption of lamb and mutton per person in 1953, as compared with 64 pounds of pork and 76 pounds of beef.

Sheep production has recently been held down by the impact of greatly increased marketings of cattle which have depressed the prices for lambs; by drought in some areas; and by rising prices for several cost items in sheep production.

Under the competitive pressure from cattle marketings, the average price received by farmers for lambs fell below \$20 per 100 pounds in 1953, down from \$24.30 in 1952. The price of wool, on the other hand, has been stable, being supported by loan at 90 percent of parity. And as cattle prices are much lower, the returns from wool and lambs combined stand in a better relationship to cattle prices now than in a number of years.

Some factors affecting sheep may improve and the price relationship with cattle will continue better than previously. Nevertheless, the high rate of cattle slaughter will continue to be an influence on lamb prices, hindering any appreciable increase in sheep production in the immediate future.

Arnold V. Nordquist and
Harold F. Breimyer
Agricultural Marketing Service

Prices of Farm Products

Estimates of average prices received by farmers at local farm markets based on reports to the Agricultural Marketing Service. Average of reports covering the United States weighted according to relative importance of district and State]

| Commodity | Average | | Feb. 15, 1953 | Jan. 15, 1954 | Feb. 15, 1954 | Effective parity price Feb. 15, 1954 ² | |
|--|--------------------------------|----------------------------|---------------|---------------|---------------|---|-------|
| | Base period price ¹ | January 1947-December 1949 | | | | | |
| Basic commodities: | | | | | | | |
| Cotton, American upland (pound)..... | cents.. | \$ 12.4 | 31.21 | 30.19 | 30.05 | 30.42 | 34.72 |
| Wheat (bushel)..... | dollars.. | 4.884 | 2.14 | 2.05 | 2.03 | 2.06 | 2.48 |
| Rice (cwt.)..... | do..... | 1.94 | 5.38 | 6.63 | 5.41 | 5.33 | 5.47 |
| Corn (bushel)..... | do..... | 4.642 | 1.64 | 1.43 | 1.42 | 1.43 | 1.80 |
| Peanuts (pound)..... | cents.. | 4.8 | 10.2 | 11.0 | 11.1 | 11.2 | 13.4 |
| Designated nonbasic commodities: | | | | | | | |
| Potatoes (bushel)..... | dollars.. | 5.539 | 1.60 | 1.59 | .691 | .653 | 1.52 |
| Butterfat in cream (pound)..... | cents.. | 26.5 | 71.2 | 66.8 | 65.9 | 65.1 | 74.7 |
| All milk, wholesale (100 lb.) ³ | dollars.. | 1.68 | 4.42 | 4.62 | 4.40 | 4.21 | 4.74 |
| Wool (pound)..... | cents.. | 2.09 | 46.0 | 52.3 | 53.1 | 53.1 | 58.9 |
| Other nonbasic commodities: | | | | | | | |
| Barley (bushel)..... | dollars.. | .484 | 1.37 | 1.28 | 1.16 | 1.15 | 1.36 |
| Cottonseed (ton)..... | do..... | 25.50 | 71.60 | 64.50 | 52.00 | 51.40 | 71.90 |
| Flaxseed (bushel)..... | do..... | 1.60 | 5.54 | 3.54 | 3.64 | 3.47 | 4.51 |
| Oats (bushel)..... | do..... | .311 | .852 | .773 | .779 | .781 | .877 |
| Rye (bushel)..... | do..... | .605 | 1.82 | 1.57 | 1.17 | 1.16 | 1.71 |
| Sorghum, grain (100 lb.)..... | do..... | 4.121 | 2.53 | 2.65 | 2.29 | 2.32 | 2.54 |
| Soybeans (bushel)..... | do..... | 1.00 | 2.84 | 2.63 | 2.83 | 2.97 | 2.82 |
| Sweetpotatoes (bushel)..... | do..... | .988 | 2.36 | 3.84 | 2.53 | 2.58 | 2.79 |
| Beef cattle (100 lb.)..... | do..... | 7.50 | 20.20 | 18.80 | 16.00 | 16.20 | 21.20 |
| All chickens (pound)..... | cents.. | 10.6 | 29.3 | 26.6 | 23.8 | 22.4 | 29.9 |
| Eggs (dozen)..... | do..... | 16.6 | 46.6 | 42.0 | 46.3 | 45.7 | 46.8 |
| Hogs (100 lb.)..... | dollars.. | 7.34 | 21.90 | 19.30 | 24.60 | 25.30 | 20.70 |
| Lambs (100 lb.)..... | do..... | 8.16 | 21.90 | 20.40 | 18.60 | 19.10 | 23.00 |
| Calves (100 lb.)..... | do..... | 8.28 | 22.60 | 22.50 | 17.80 | 18.10 | 23.30 |
| Oranges, on tree (box)..... | do..... | 2.29 | 1.23 | 1.36 | 1.06 | 1.01 | 3.08 |
| Apples (bushel)..... | do..... | 1.00 | 2.39 | 3.19 | 3.19 | 3.27 | 2.82 |
| Hay, baled (ton)..... | do..... | 4.11.87 | 22.40 | 25.60 | 23.80 | 23.70 | 24.90 |

¹ Adjusted base period prices 1910-14 used for computing parity prices. Based on 120-month average January 1944-December 1953 unless otherwise noted.

² Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

³ 60-month average, August 1900-July 1914 for all cotton.

⁴ 60-month average, August 1909-July 1914.

⁵ Adjust base period price 1910-14 derived from 10-season average prices 1944-53.

⁶ Prices received by farmers are estimates for the month.

⁷ Preliminary.

⁸ 10-season average 1919-28.

⁹ Transitional parity, 75 percent of parity price computed under formula in use prior to Jan. 1, 1950.

Turkey Producers Cautioned Against Over-production

UNLESS turkey growers cut their production well below the numbers that now seem likely, they can expect much lower prices this year, Secretary of Agriculture Ezra Taft Benson has advised. This also was the advice of the Turkey Industry Advisory Committee at their meeting in Milwaukee, Wis., on January 16.

The number of heavy breed poult hatched in commercial hatcheries during January was reported to be 41 percent larger than a year earlier, and 90 percent larger for light breeds. Statistics released by USDA also indicate that the number of heavy breed turkeys tested during January for inclusion in breeding flocks shows a 5 percent increase over last year. Lighter breeds tested during January were 17 percent less than a year ago but show an increase of 44 percent from July 1953 through January 1954.

Economic Trends Affecting Agriculture

| Year and month | Industrial production (1947-49=100) ¹ | Total personal income payments (1947-49=100) ² | Average earnings of factory workers per worker (1910-14=100) | Whole-sale prices of all commodities (1910-14=100) ³ | Index numbers of prices paid by farmers (1910-14=100) | | | Index numbers of prices received by farmers (1910-14=100) ⁵ | | | |
|----------------------|--|---|--|---|---|--|---|--|------------------|--------------|----------------|
| | | | | | Com-modities | Wage rates for hired farm labor ⁴ | Com-modities, interest, taxes and wage rates ⁵ | Livestock and products | | | |
| | | | | | | | | Dairy products | Poultry and eggs | Meat animals | All live-stock |
| 1910-14 average..... | --- | --- | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 1925-29 average..... | 53 | --- | 232 | 143 | 151 | 184 | 161 | 161 | 155 | 145 | 152 |
| 1935-39 average..... | 54 | 40 | 199 | 118 | 124 | 121 | 125 | 119 | 110 | 117 | 116 |
| 1947-49 average..... | 100 | 100 | 462 | 225 | 240 | 430 | 250 | 275 | 229 | 334 | 292 |
| 1950 average..... | 112 | 112 | 518 | 232 | 246 | 425 | 256 | 249 | 186 | 340 | 280 |
| 1951 average..... | 120 | 126 | 563 | 258 | 271 | 470 | 282 | 286 | 228 | 409 | 336 |
| 1952 average..... | 124 | 133 | 592 | 251 | 273 | 503 | 287 | 302 | 206 | 353 | 306 |
| 1953 average..... | 134 | 141 | 624 | 247 | 262 | 513 | 279 | 273 | 221 | 298 | 273 |
| 1953 | | | | | | | | | | | |
| February..... | 134 | 139 | 620 | 246 | 264 | --- | 281 | 284 | 206 | 305 | 277 |
| March..... | 135 | 140 | 627 | 247 | 265 | --- | 282 | 276 | 217 | 301 | 274 |
| April..... | 136 | 140 | 622 | 246 | 264 | 508 | 280 | 263 | 219 | 299 | 270 |
| May..... | 137 | 141 | 624 | 247 | 264 | --- | 280 | 256 | 218 | 317 | 277 |
| June..... | 136 | 142 | 624 | 246 | 260 | --- | 277 | 255 | 213 | 300 | 267 |
| July..... | 137 | 142 | 622 | 249 | 261 | --- | 279 | 261 | 223 | 319 | 280 |
| August..... | 136 | 142 | ⁵ 625 | 248 | 262 | --- | 279 | 265 | 229 | 305 | 276 |
| September..... | 133 | 142 | ⁵ 623 | 249 | 259 | --- | 277 | 275 | 230 | 299 | 276 |
| October..... | 132 | 142 | 625 | 248 | 258 | 515 | 276 | 282 | 234 | 273 | 266 |
| November..... | ⁵ 129 | ⁵ 142 | 624 | 247 | 259 | --- | 277 | 288 | 224 | 267 | 263 |
| December..... | 127 | 141 | 627 | 247 | 260 | --- | 278 | 282 | 218 | 285 | 269 |
| 1954 | | | | | | | | | | | |
| January..... | --- | --- | 618 | 249 | 263 | 525 | 282 | 274 | 213 | 309 | 277 |
| February..... | --- | --- | --- | --- | 264 | --- | 282 | 267 | 208 | 315 | 277 |

| Year and month | Index numbers of prices received by farmers (1910-14=100) | | | | | | | | All crops and live-stock | Parity ratio ⁶ |
|----------------------|---|---------------------|----------|--------|-------------------|-------|-------------------------|-----------|--------------------------|---------------------------|
| | Crops | | | | | | | | | |
| | Food grains | Feed grains and hay | To bacco | Cotton | Oil-bearing crops | Fruit | Com-mercial vege-tables | All crops | | |
| 1910-14 average..... | 100 | 100 | 100 | 100 | 100 | 100 | ----- | 100 | 100 | 100 |
| 1925-29 average..... | 140 | 118 | 169 | 150 | 135 | 146 | 145 | 143 | 148 | 92 |
| 1935-39 average..... | 94 | 96 | 172 | 87 | 113 | 91 | 107 | 98 | 108 | 86 |
| 1947-49 average..... | 246 | 230 | 384 | 264 | 318 | 182 | 249 | 247 | 271 | 108 |
| 1950 average..... | 224 | 193 | 402 | 282 | 276 | 194 | 211 | 233 | 258 | 101 |
| 1951 average..... | 243 | 226 | 436 | 336 | 339 | 181 | 269 | 265 | 302 | 107 |
| 1952 average..... | 244 | 234 | 432 | 310 | 296 | 191 | 274 | 267 | 288 | 100 |
| 1953 average..... | 231 | 208 | 429 | 268 | 274 | 206 | 240 | 242 | 258 | 92 |
| 1953 | | | | | | | | | | |
| February..... | 241 | 214 | 424 | 256 | 287 | 203 | 275 | 249 | 264 | 94 |
| March..... | 247 | 215 | 424 | 268 | 291 | 209 | 267 | 252 | 264 | 94 |
| April..... | 244 | 213 | 424 | 267 | 289 | 207 | 233 | 246 | 259 | 92 |
| May..... | 242 | 212 | 426 | 269 | 286 | 206 | 259 | 247 | 263 | 94 |
| June..... | 222 | 204 | 425 | 267 | 280 | 219 | 298 | 246 | 257 | 93 |
| July..... | 218 | 204 | 426 | 270 | 268 | 193 | 252 | 237 | 260 | 93 |
| August..... | 215 | 205 | 430 | 278 | 263 | 185 | 207 | 232 | 255 | 91 |
| September..... | 219 | 207 | 452 | 280 | 251 | 204 | 191 | 235 | 257 | 93 |
| October..... | 223 | 194 | 439 | 275 | 255 | 189 | 198 | 229 | 249 | 90 |
| November..... | 229 | 195 | 433 | 269 | 263 | 205 | 218 | 234 | 249 | 90 |
| December..... | 230 | 205 | 427 | 260 | 269 | 237 | 224 | 238 | 254 | 91 |
| 1954 | | | | | | | | | | |
| January..... | 233 | 207 | 420 | 254 | 268 | 222 | 271 | 240 | 259 | 92 |
| February..... | 236 | 208 | 443 | 258 | 269 | 210 | 233 | 237 | 258 | 91 |

¹ Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

² Computed from reports of the Department of Commerce; monthly data adjusted for seasonal variation.

³ Bureau of Labor Statistics.

⁴ Farm wage rates simple averages of quarterly data, seasonally adjusted.

⁵ Revised.

⁶ Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis.

Outlook Highlights

(Continued from Page 9)

first 7 months of the 1953-54 marketing season totaled about 122 million bushels, compared with 190 million in the same period last year. Total for season is expected to fall between 200 and 225 million bushels. Stocks of old wheat on hand next July 1 when the marketing year ends probably will exceed 800 million. Most of it will be held by the CCC under the price support program.

Fruits and Vegetables

With the increased production of frozen concentrate, use of oranges in Florida has been greater this season than last. With a bigger crop, however, 15 percent more Florida oranges remained to be marketed after mid-February than a year earlier. Demand for oranges for processing through mid-year probably will stay about as strong as last season.

Stocks of apples in cold storage February 1 were about the same as on same date last year but pear stocks were much larger. USDA has bought 178 carloads of pears for distribution to School Lunch program and other eligible outlets.

Total quantity of fresh vegetables harvested this winter probably will be slightly smaller than last winter. Storage stocks of potatoes, cabbage and onions are large. Total stocks of canned and frozen vegetables are up moderately from last year.

Cotton

Stocks of cotton owned by CCC, held in the CCC producers' pool and covered by outstanding loans totaled 8.4 million bales on February 12. However, some cotton covered by 1953 crop loans is being redeemed by growers. The average price for middling $1\frac{5}{16}$ -inch cotton has risen since the first of January and was slightly above a year earlier in mid-February.

From August 1 through December, 1953, 1.2 million bales of cotton were exported, 200,000 less than a year earlier. In the last 7 months of the season, exports are expected to be higher than in the same period of 1952-53.

Tobacco

Consumption of cigarettes in 1953 fell a little below 1952, the first decline in several years. However, quantity of tobacco consumed probably held about the same as in 1952, since smokers used more "king size" cigarettes. Cigar consumption was up a little in 1953 but use of smoking and chewing tobacco was off about 5 percent. Snuff consumption did not change.

UNITED STATES
DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
WASHINGTON 25, D. C.
OFFICIAL BUSINESS

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